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Legacy and Effects of the New Deal

“That we are in the midst of crisis is now well understood. Our nation is at war, against a far-reaching network of violence and hatred. Our economy is badly weakened, a consequence of greed and irresponsibility on the part of some, but also our collective failure to make hard choices and prepare the nation for a new age. Homes have been lost; jobs shed; businesses shuttered. Our health care is too costly; our schools fail too many; and each day brings further evidence that the ways we use energy strengthen our adversaries and threaten our planet.” (Obama, Inauguration Speech, 2009)

1. What kind of crisis is he talking about?
2. Why does he say our economy is badly weakened?

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| “More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment… |  |
| Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.” (FDR, Inauguration, 1933) |  |

1. What kind of crisis is he talking about?
2. What does he say our economy is badly weakened?
3. Are there any similarities between FDR’s speech and Obama’s speech?

The New Deal did not end the Depression. Nor did it significantly redistribute income. It did, however, provide Americans with economic security that they had never known before. The New Deal legacies include unemployment insurance, old age insurance, and insured bank deposits. The Wagner Act reduced violence in labor relations. The Securities and Exchange Commission protected stock market investments of millions of small investors. The Federal Housing Administration and Fannie Mae enabled a majority of Americans to become homeowners.

The New Deal's greatest legacy was a shift in government philosophy. As a result of the New Deal, Americans came to believe that the federal government has a responsibility to ensure the health of the nation's economy and the welfare of its citizens.

1. Was the New Deal successful?
2. What were some of the New Deal legacies?
3. What was the New Deal’s greatest legacy?
4. After reading this do you think the government got bigger during the New Deal or reduced in size?